

NCTA Project Approval Process

The following process for studying, funding and constructing a project as a toll facility was recommended at the January 18, 2006 NCTA Board meeting. Additional revisions were made at the February and March meetings for approval by the NCTA board in April.

1. A recognized municipal, regional or local planning authority, or group of local elected officials or members of the General Assembly may submit a request to the NCTA Board of Directors to study building a project from their area as a toll project. This request shall include any local financing options that may be available. (For clarification of appropriate projects, see the attached "Project Selection Criteria" previously adopted by the Board.)

"A Turnpike project selected for construction by the Turnpike Authority shall be included in any applicable locally adopted comprehensive transportation plans and shall be shown in the current State Transportation Improvement Plan." (from Public Toll Roads & Bridges enabling legislation). In addition, the project may be studied if it is on the strategic highway corridor.

2. The NCTA will identify the source to fund the study.
3. Once the NCTA Board receives the request, they will consider three options:
 - (a) To conduct a "Sketch-level" financial feasibility study;
 - (b) To conduct a "Level 2" financial feasibility study;
 - (c) To deny the request. Denial will be based on the grounds that preliminary traffic and revenue studies indicate that the project is unlikely to meet adequate bonding capacity to qualify as a viable toll project or for other similar reasons. Upon denial, the NCTA Board will notify the requesting entity in writing. If the NCTA Board denies the request, the local MPO, RPO, or group of elected officials have the option of funding a study with private or alternative funds. The NCTA will manage the study for the local entity.
4. If the NCTA Board decides to proceed with a Sketch or Level-2 study, the Authority will contract for a study to provide:
 - An estimate of the traffic and revenue that would be generated from the project;
 - An estimate of the project's cost;
 - An estimate of the amount of the project's cost that could be funded through the issuance of bonds;
 - An estimate of the size of the "gap" (i.e. the amount of the project's cost that cannot be financed from bonds and project revenue). This gap analysis will consider funds that may be available from all possible sources.
5. Following the completion of the preliminary financial feasibility study, the NCTA Financial Advisor will examine available funding sources including local participation and make a report to the NCTA Board about the sources available for funding the "gap."
6. The NCTA Board will submit the preliminary financial feasibility study and the gap-funding analysis from the Financial Advisor to the local entity and the NCDOT Board.
7. After examining funding possibilities for the "gap," the local MPO or RPO and the NCDOT Board (if affected) will decide if they wish to proceed with a request to the NCTA Board that the project be constructed as a toll project. If it is deemed that the project gap cannot be funded by local, state, or private funds, the NCTA may decide not to proceed with the project. In that case the project will be returned to DOT and the project will remain on the TIP schedule as determined by the NCDOT board.

*Approved by NCTA Board
April 18, 2006*

Project Selection Criteria

Previously Approved by NCTA Board

Roadway Type – The project must have full control of access.

Project Location – The project must have a “free” parallel route and meet legislative guidelines.

Project Feasibility – The project must have a high probability of being able to move to construction within a reasonable time frame.

Local Support – The project should have a demonstrated local support or a reasonable expectation of support for development as a toll facility.

Financial Feasibility – The project should be deemed to be financially feasible using available data and commercially reasonable assumptions.

Statewide or Regional Significance – Special consideration should be given to those projects that would play a significant role in the statewide or regional highway system or serve major economic generators.